



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

JAN 17 2008

CERTIFIED MAIL 7005 3110 0003 6266 0837

RETURN RECEIPT REQUESTED

Mr. George Finke
Finke Homes, Inc.
3180 Burlington Pike
Burlington, Kentucky 41005

Re: Consent Agreement and Final Order
Docket No. CWA-04-2007-4529(b)
Cedar Valley Resort
Williamstown, Kentucky

Dear Mr. Finke:

Enclosed please find a fully executed copy of the Consent Agreement and Final Order that has been finalized by the Environmental Protection Agency and the Regional Judicial Officer. Please make note of the provisions under Paragraph IV. Payment.

Should you have any questions or problems, please contact Mr. Humberto Guzman at (404) 562-8942.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas F. Mundrick".

Douglas F. Mundrick, P.E.
Chief
Water Programs Enforcement Branch
Water Management Division

Enclosure

cc: Kentucky Department for Environmental
Protection
Mr. Todd Giles – KDEP Florence Regional Office

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4**

IN THE MATTER OF:)
)
FINKE HOMES, INC.) **CONSENT AGREEMENT AND**
) **FINAL ORDER**
Cedar Valley Resort)
Williamstown, Kentucky) **DOCKET NO. CWA-04-2007-4529(b)**
)
RESPONDENT.)

RECEIVED
EPA REGION 4
2007 JUN 17 PM 1:32
HEARING CLERK

CONSENT AGREEMENT

I. Statutory Authority

1. This is a civil penalty proceeding pursuant to Section 309(g)(2)(A) of the Clean Water Act ("CWA"), 33 U.S.C. § 1319(g)(2)(A), and the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders and the Revocation, Termination or Suspension of Permits*, including Subpart I, published at 64 Fed. Reg. 40176 (July 23, 1999) and codified at 40 Code of Federal Regulations ("C.F.R.") Part 22.

2. The authority to take action under Section 309(g)(2)(A) of the CWA, 33 U.S.C. § 1319(g)(2)(A), is vested in the Administrator of the United States Environmental Protection Agency ("EPA"). The Administrator has delegated this authority to the Regional Administrator, Region 4, who in turn has delegated this authority to the Director of the Water Management Division, who in turn has delegated this authority to the Chief of the Water Programs Enforcement Branch of EPA Region 4 ("Complainant").

II. Allegations

3. At all times relevant to this action, Finke Homes, Inc. ("Respondent"), was a corporation duly organized and existing under the laws of the Commonwealth of Kentucky and is therefore a "person" within the meaning of Section 502(5) of the CWA, 33 U.S.C. § 1362(5).

4. At all times relevant to this action, Respondent owned and/or operated a construction site known as Cedar Valley Resort ("Facility") located at 15 Grandview Heights (Eibeck Lane) in Williamstown, Kentucky, 41097.

5. To accomplish the objective of the CWA, defined in Section 101(a) of the CWA, 33 U.S.C. § 1251(a), as to restore and maintain the chemical, physical and biological integrity of the nation's waters, Section 301(a) of the CWA, 33 U.S.C. § 1311(a), prohibits the discharge of

pollutants by any person into waters of the United States except as in compliance with a National Pollutant Discharge Elimination System ("NPDES") permit issued pursuant to Section 402 of the CWA, 33 U.S.C. § 1342.

6. Section 402 of the CWA, 33 U.S.C. § 1342, establishes an NPDES Permit Program authorizing EPA or authorized states to administer the NPDES Permit Program, including the issuance of NPDES permits allowing for the discharge of pollutants, including storm water, into navigable waters subject to specific terms and conditions. EPA has granted the Commonwealth of Kentucky through the Department for Environmental Protection ("KDEP") approval to issue NPDES permits pursuant to Section 402(b) of the CWA.

7. The KDEP issued a *General KPDES Permit for Storm Water Point Source Discharges, Construction Activities* ("Permit"), Permit No. KYR10, in accordance with the provisions of the Kentucky Revised Statutes Chapter 224 and pursuant to 401 Kentucky Administrative Regulations ("KAR") 5:055, Sections 1 and 5 and the CWA. The Permit was effective October 1, 2002, and expires September 30, 2007.

8. The KDEP is responsible for the enforcement of Kentucky Revised Statutes Chapter 224 16-050 and 401 KAR 5:055, Sections 1 and 5, and the approval of coverage under the Permit upon submission and approval of a Notice of Intent ("NOI") requesting Permit coverage.

9. On July 20, 2004, Respondent submitted a Notice of Intent ("NOI") requesting permit coverage to the KDEP.

10. Part II of the Permit incorporates 401 KAR 5:065 Section 1 by reference.

A. 401 KAR 5:065 Section 1(4) requires the Permittee to take all reasonable steps to minimize or prevent any discharge in violation of the Permit which has a reasonable likelihood of adversely affecting human health or the environment.

B. 401 KAR 5:065 Section 1(5) of the Permit requires the Permittee to properly operate and maintain at all times all facilities and systems of treatment and control and related appurtenances which are installed or used by the Permittee to achieve compliance with the conditions of the Permit.

11. Part IV.A of the Permit requires the Permittee to provide in the Best Management Practices ("BMP") Plan, a clear description of the nature of the construction activity, the order of major soil disturbing activities, estimates of the total project area and the total disturbed area, the post-construction runoff coefficient, any existing data describing soil condition or discharge

quality, receiving water name, and a site map. The site map shall indicate drainage patterns and show approximate slopes after grading, areas of disturbance, the location of control measures, surface waters or wetlands, and storm water discharge locations.

12. Part IV.B(1) of the Permit requires the Permittee to preserve existing vegetation where possible. All disturbed areas of the site shall be stabilized. Stabilization shall begin within 14 days on areas of the site where construction activities have permanently or temporarily ceased.

13. Part IV.F of the Permit requires the Permittee to ensure that qualified personnel inspect all storm water control measures, discharge locations, vehicle exits, disturbed areas of the construction site and material storage areas at least once every 7 days (and within 24 hours of the end of a storm that is 0.5 inches or greater), and areas that have been temporarily or finally stabilized at least once a month. The Permittee shall develop a report summarizing the scope of the inspection, names and qualifications of personnel making the inspection, the date of the inspection, major observations relating to the implementation of the BMP Plan, and any corrective actions taken.

14. On May 24, 2006, representatives of EPA, in conjunction with KDEP, performed a Compliance Storm Water Evaluation Inspection ("CSWEI") at Respondent's Facility to evaluate the treatment and disposal of storm water at the Facility in accordance with the CWA, the regulations promulgated thereunder at 40 C.F.R. § 122.26, and the Permit.

15. As a result of the CSWEI, EPA has determined that storm water associated with industrial activity was discharged from the Facility within the meaning of Section 402(p) of the CWA, 33 U.S.C. § 1342(p), and its implementing regulations.

16. During the CSWEI, EPA inspectors observed the following:

A. Respondent failed to take all reasonable steps to minimize or prevent any discharge which has a reasonable likelihood of adversely affecting human health or the environment, in violation of Part II of the Permit. No stabilization practices or poor stabilization practices were observed at the Facility, and erosion control devices (silt fences) were installed improperly and were not maintained.

B. Respondent failed to properly operate and maintain all facilities and systems of treatment and control and related appurtenances, in violation of Part II of the Permit. Silt fences were failing due to abundance of sediment resting on them and sections of silt fence were not properly installed, allowing sediment to be discharged into Clarks Creek. Some of the existing silt fences needed to be re-erected and new silt fences were needed throughout the Facility to prevent sediment loss.

C. Respondent failed to provide a site map, in violation of Part IV.A of the Permit.

D. Respondent failed to preserve existing vegetation where possible, in violation of Part IV.B(1) of the Permit. Respondent did not stabilize disturbed areas with mulch, seed, and/or other stabilizing materials of the Facility where construction activities have permanently or temporarily ceased.

E. Respondent did not ensure that qualified personnel conducted inspections of all storm water control measures, discharge locations, vehicle exits, and disturbed areas of the construction site, in violation of Part IV.F of the Permit. Respondent could not provide a report summarizing the scope of inspections, names and qualifications of personnel conducting inspections, or records of any corrective actions taken in accordance with Part IV.F of the Permit.

17. Therefore, Respondent violated Sections 301 and 402(p) of the CWA, 33 U.S.C. §§ 1311 and 1342(p), by failing to comply with the Permit, and also for discharges not authorized by the Permit.

III. Stipulations and Findings

18. Complainant and Respondent have conferred for the purpose of settlement pursuant to 40 C.F.R. § 22.18 and desire to resolve this matter and settle the allegations described herein without a formal hearing. Therefore, without the taking of any evidence or testimony, the making of any argument, or the adjudication of any issue in this matter, and in accordance with 40 C.F.R. § 22.13(b), this Consent Agreement and Final Order ("CA/FO") will simultaneously commence and conclude this matter.

19. For the purposes of this CA/FO, Respondent admits the jurisdictional allegations set out above and neither admits nor denies the factual allegations set out above.

20. Respondent hereby waives its right to contest the allegations set out above and its right to appeal the Final Order accompanying this Consent Agreement.

21. Respondent consents to the assessment of and agrees to pay the civil penalty as set forth in this CA/FO and consents to the other conditions set forth in this CA/FO.

22. By signing this CA/FO, Respondent certifies that the information it has supplied concerning this matter was at the time of submission, and is, truthful, accurate, and complete for each such submission, response and statement. Respondent realizes that there are significant penalties for submitting false or misleading information, including the possibility of fines and/or imprisonment for knowing submission of such information.

23. EPA reserves the right to assess and collect any and all civil penalties for any violation described herein to the extent that any information or certification provided by Respondent was materially false or inaccurate at the time such information or certification was provided to EPA.

24. Complainant and Respondent agree to settle this matter by their execution of this CA/FO. The parties agree that the settlement of this matter is in the public interest and that this CA/FO is consistent with the applicable requirements of the CWA.

IV. Payment

25. Pursuant to Section 309(g)(2)(A) of the CWA, 33 U.S.C. § 1319(g)(2)(A), and 40 C.F.R. Part 19, and considering the nature of the violations and other relevant factors, EPA has determined that **Thirty Thousand Dollars (\$30,000.00)** is an appropriate civil penalty to settle this action.

26. Respondent shall submit payment of the penalty specified in the preceding paragraph **in accordance with the schedule described in Paragraph 28 below** via cashier's or certified checks, payable to the order of "Treasurer, United States of America." The checks shall reference on its face the name of Respondent and the Docket Number of this CA/FO. Such payments shall be tendered to:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000.

27. At the time of each payment, Respondent shall send a separate copy of the check, and a written statement that payment has been made in accordance with this CA/FO, to the following persons at the following addresses:

Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960

and

Mary Mattox
U.S. Environmental Protection Agency, Region 4
Water Programs Enforcement Branch
Water Management Division
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960.

28. Respondent shall pay a civil penalty in the amount of \$ 30,000 as follows:

A. Within one (1) month of the effective date of this CAFO, Respondent shall pay \$ 3,750;

B. Within four (4) months of the effective date of this CAFO, Respondent shall pay \$ 3,750 plus three (3) months' interest on \$ 26,250 calculated pursuant to 31 U.S.C. § 3717;

C. Within seven (7) months of the effective date of this CAFO, Respondent shall pay \$ 3,750 plus six (6) months' interest on \$ 22,500 calculated pursuant to 31 U.S.C. § 3717;

D. Within ten (10) months of the effective date of this CAFO, Respondent shall pay \$ 3,750 plus nine (9) months' interest on \$ 18,750 calculated pursuant to 31 U.S.C. § 3717;

E. Within thirteen (13) months of the effective date of this CAFO, Respondent shall pay \$ 3,750 plus twelve (12) months' interest on \$ 15,000 calculated pursuant to 31 U.S.C. § 3717;

F. Within sixteen (16) months of the effective date of this CAFO, Respondent shall pay \$ 3,750 plus fifteen (15) months' interest on \$ 11,250 calculated pursuant to 31 U.S.C. § 3717;

G. Within nineteen (19) months of the effective date of this CAFO, Respondent shall pay \$ 3,750 plus eighteen (18) months' interest on \$ 7,500 calculated pursuant to 31 U.S.C. § 3717;

H. Within twenty-two (22) months of the effective date of this CAFO, Respondent shall pay \$ 3,750 plus twenty-one (21) months' interest on \$ 3,750 calculated pursuant to 31 U.S.C. § 3717;

29. For purposes of this CAFO, payments are due at the beginning of each month that a payment is due. One month equals thirty (30) or thirty-one (31) calendar days, with the exception of February which equals twenty-eight (28) calendar days.

30. The penalty amount specified above shall represent civil penalties assessed by EPA and shall not be deductible for purposes of federal taxes.

31. Pursuant to 40 C.F.R. Part 13 and 31 U.S.C. § 3717 et seq., if EPA does not receive payment of the penalty assessed by this CAFO in full by its due date, interest shall accrue on the unpaid balance from the due date through the date of payment at an annual rate

equal to the rate of the current value of funds to the United States Treasury as prescribed and published by the Secretary of the Treasury. If all or part of the payment is overdue, EPA will assess a late-payment handling charge of \$15.00, with an additional delinquent notice charge of \$15.00 for each subsequent thirty (30) day period. EPA will also assess on a monthly basis an up to six percent (6%) per annum penalty on any principal amount not paid within ninety (90) days of the due date.

32. Pursuant to Section 309(g)(9) of the CWA, 33 U.S.C. § 1319(g)(9), failure by Respondent to pay the penalty assessed by the CA/FO in full by its due date may subject Respondent to a civil action to collect the assessed penalty plus interest (at currently prevailing rates from the effective date of this CA/FO), attorney's fees, costs for collection proceedings and a quarterly nonpayment penalty for each quarter during which such failure to pay persists. Such nonpayment penalty shall be in an amount equal to twenty percent (20%) of the aggregate amount of such penalty and nonpayment penalty which are unpaid as of the beginning of such quarter. In any such collection action, the validity, amount and appropriateness of the penalty and of this CA/FO shall not be subject to review.

V. General Provisions

33. This CA/FO shall not relieve Respondent of its obligation to comply with all applicable provisions of federal, state, or local law, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state, or local permit. Other than as expressed herein, compliance with this CA/FO shall not be a defense to any actions subsequently commenced pursuant to federal laws and regulations administered by EPA.

34. Nothing in this CA/FO shall be construed as prohibiting, altering, or in any way limiting the ability of the United States to seek any other remedies or sanctions available by virtue of Respondent's violation of this CA/FO or of the statutes and regulations upon which this CA/FO is based, or for Respondent's violation of any federal or state statute, regulation or permit.

35. Except as otherwise set forth herein, this CA/FO constitutes a settlement by Complainant and Respondent of all claims for civil penalties pursuant to the CWA with respect to only those violations alleged in this CA/FO. Except as otherwise set forth herein, compliance with this CA/FO shall resolve the allegations of violations contained herein. Nothing in this CA/FO is intended to nor shall be construed to operate in any way to resolve any criminal liability of Respondent, or other liability resulting from violations that were not alleged in this CA/FO. Other than as expressed herein, Complainant does not waive any right to bring an enforcement action against Respondent for violation of any federal or state statute, regulation or permit, to initiate an action for imminent and substantial endangerment, or to pursue criminal enforcement.

36. Each undersigned representative of the parties to this CA/FO certifies that he or she is fully authorized to enter into the terms and conditions of this CA/FO and to execute and legally bind that party to it.

37. This CA/FO applies to and is binding upon Respondent and its officers, directors, employees, agents, successors and assigns.

38. Any change in the legal status of Respondent, including but not limited to any transfer of assets of real or personal property, shall not alter Respondent's responsibilities under this CA/FO.

39. Each party shall bear its own costs and attorneys fees in connection with the action resolved by this CA/FO.

40. In accordance with 40 C.F.R. § 22.5, the individuals below are authorized to receive service relating to this proceeding.

For Complainant:

Judy K. Marshall
Associate Regional Counsel
Office of Environmental Accountability
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street
Atlanta, GA 30303-8960
(404) 562-9533.

For Respondent:

George Finke
Finke Homes, Inc.
3180 Burlington Pike
Burlington, Kentucky 41005.

41. The parties acknowledge and agree that this CA/FO is subject to the requirements of 40 C.F.R. § 22.45(c)(4), which provides a right to petition to set aside a consent agreement and proposed final order based on comments received during the public comment period.

42. Pursuant to Section 309(g) of the CWA, 33 U.S.C. § 1319(g), and 40 C.F.R. § 22.38(b), Complainant represents that the Commonwealth of Kentucky was provided a prior opportunity to consult with Complainant regarding this matter.

VI. Effective Date

43. The effective date of this CA/FO shall be the date on which the CA/FO is filed with the Regional Hearing Clerk.

AGREED AND CONSENTED TO:

For COMPLAINANT, U.S. ENVIRONMENTAL PROTECTION AGENCY:


for James D. Giattina, Director
Water Management Division
U.S. EPA, Region 4

Date: 12/10/07

For RESPONDENT FINKE HOMES, INC.:


George Finke
TITLE: Pres

Date: 10 17 07

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4**

IN THE MATTER OF:)	
)	CONSENT AGREEMENT AND
FINKE HOMES, INC.)	FINAL ORDER
Cedar Valley Resort)	
Williamstown, Kentucky)	DOCKET NO. CWA-04-2007-4529(b)
)	
RESPONDENT.)	
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FINAL ORDER

In accordance with the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders and the Revocation, Termination or Suspension of Permits*, including Subpart I, 40 C.F.R. Part 22, and authorities delegated to me, the foregoing Consent Agreement is hereby approved and incorporated by reference into this Final Order. Pursuant to Section 309(g)(2)(A) of the CWA, 33 U.S.C. § 1319(g)(2)(A), Respondent is hereby ordered to comply with the terms of the foregoing Consent Agreement.

U.S. ENVIRONMENTAL PROTECTION AGENCY:

Date: January 16, 2008



Susan B. Schub
Regional Judicial Officer

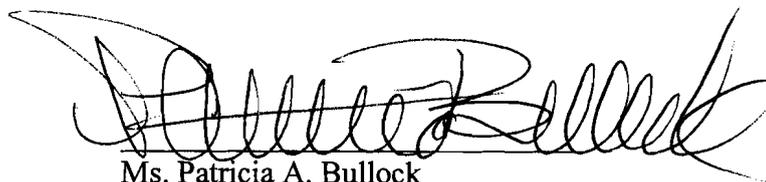
CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the attached **CONSENT AGREEMENT AND FINAL ORDER** in the matter of Finke Homes, Inc., **Docket No. CWA-04-2007-4529(b)** filed with the Regional Hearing Clerk on ~~JAN~~ **JAN 17 2008**, 2008, was served on **JAN 17 2008**, 2008, in the manner specified to each of the persons listed below.

By hand-delivery: Judy K. Marshall
Associate Regional Counsel
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303-8960

By certified mail,
return receipt requested: George Finke
Finke Homes, Inc.
3180 Burlington Pike
Burlington, Kentucky 41005

Mr. Jeff Cummin, Acting Director
Division of Enforcement
Kentucky Department of Environmental Protection
14 Reilly Road
Frankfort, Kentucky 40601



Ms. Patricia A. Bullock
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 4
Sam Nunn Federal Center
61 Forsyth Street, S.W.
Atlanta, GA 30303-8960
(404) 562-9511

EPA ACCOUNTS RECEIVABLE CONTROL NUMBER FORM

TO BE COMPLETED BY THE ORIGINATING OFFICE:

(Attach a copy of the final order and transmittal letter to Defendant/Respondent)

This form was originated by: Mary Mattox on 11/29/07
(Name) (Date)

in the WMD/WPEB/GES at (404) 562- 9733
(Office) (Telephone Number)

Non-SF Judicial Order/Consent Decree
USAO COLLECTS

Administrative Order/Consent Agreement
FMO COLLECTS PAYMENT

SF Judicial Order/Consent Decree
DOJ COLLECTS

Oversight Billing - Cost Package required:
Sent with bill

Not sent with bill

Other Receivable

Oversight Billing - Cost Package not required

This is an original debt

This is a modification

PAYEE: Finke Homes, Inc., Cedar Valley Road, Williamstown, KY
(Name of person and/or Company/Municipality making the payment)

The Total Dollar Amount of the Receivable: \$ 30,000
(If installments, attach schedule of amounts and respective due dates. See Other side of this form.)

The Case Docket Number: CWA-04-2007-4529(b)

The Site Specific Superfund Account Number: _____

WMD

The Designated Regional/Headquarters Program Office: _____

TO BE COMPLETED BY LOCAL FINANCIAL MANAGEMENT OFFICE:

The IFMS Accounts Receivable Control Number is: _____ Date: _____

DISTRIBUTION:

A. **JUDICIAL ORDERS:** Copies of this form with an attached copy of the front page of the **FINAL JUDICIAL ORDER** should be mailed to:

- | | |
|--|---|
| 1. Debt Tracking Officer
Environmental Enforcement Section
Department of Justice RM 1647
P.O. Box 7611, Benjamin Franklin Station
Washington, D.C. 20044 | 2. Originating Office (EAD)
3. Designated Program Office |
|--|---|

B. **ADMINISTRATIVE ORDERS:** Copies of this form with an attached copy of the front page of the Administrative Order should be to:

- | | |
|---------------------------|------------------------------|
| 1. Originating Office | 3. Designated Program Office |
| 2. Regional Hearing Clerk | 4. Regional Counsel (EAD) |